



Financial Statements  
As of and For the Years Ended December 31,  
2020 and 2019

# Resource Central

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## **Independent Auditor's Report**

Board of Directors  
Resource Central  
Boulder, Colorado

### ***Opinion***

We have audited the financial statements of Resource Central (the Organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion for the 2020 Financial Statements***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion for the 2020 financial statements.

### ***Other Matter - Prior Period Financial Statements***

The 2019 financial statements of the Organization were audited by ACM LLP (ACM), whose partners and professional staff joined BDO USA, LLP as of August 1, 2020, and has subsequently ceased operations. ACM's report dated May 29, 2020 expressed an unmodified opinion on those statements.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.



### ***Auditor's Responsibilities for the Audit of the 2020 Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit of the 2020 financial statements.

*BDO USA, LLP*

May 28, 2021

**Resource Central**  
**Statements of Financial Position**

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<i>December 31,</i>	2020	2019
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,150,641	\$ 612,419
Grants and contributions receivable	230,099	23,942
Prepaid expenses and deposits	17,895	28,247
Inventory	77,036	75,937
Property and equipment, net	270,779	178,392
<b>Total assets</b>	<b>\$ 1,746,450</b>	<b>\$ 918,937</b>
<b>Liabilities and net assets</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 68,795	\$ 29,846
Accrued payroll	110,013	119,996
Deferred revenue	218,796	24,310
Note payable	-	6,455
<b>Total liabilities</b>	<b>397,604</b>	<b>180,607</b>
<b>Commitments and contingencies</b>		
<b>Net assets:</b>		
Without donor restrictions	691,131	590,098
With donor restrictions	657,715	148,232
<b>Total net assets</b>	<b>1,348,846</b>	<b>738,330</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,746,450</b>	<b>\$ 918,937</b>

*See accompanying notes to the financial statements.*

# Resource Central

## Statements of Activities

Year Ended December 31,	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>						
Materials Reuse sales and program revenue	\$ 732,160	\$ -	\$ 732,160	\$ 917,001	\$ -	\$ 917,001
Donated building materials for resale	687,358	-	687,358	819,559	-	819,559
Less: cost of goods sold	(712,034)	-	(712,034)	(863,528)	-	(863,528)
Gross profit from Reuse sales	707,484	-	707,484	873,032	-	873,032
Garden In a Box sales and program revenue	831,362	-	831,362	834,488	-	834,488
Less: cost of goods sold	(339,277)	-	(339,277)	(339,850)	-	(339,850)
Gross profit from Garden In a Box sales	492,085	-	492,085	494,638	-	494,638
Program service fees	493,325	-	493,325	457,431	-	457,431
Contributions	205,603	207,500	413,103	234,818	273,847	508,665
Capital campaign contributions	-	626,039	626,039	-	-	-
Governmental grants	360,287	-	360,287	109,000	-	109,000
In-kind contributions	364,060	-	364,060	243,566	-	243,566
Special event income, net	33,150	-	33,150	54,289	-	54,289
Interest income	1,885	-	1,885	1,100	-	1,100
Other Income	12,748	-	12,748	10,721	-	10,721
Net assets released from restrictions	324,056	(324,056)	-	195,017	(195,017)	-
Total other revenue and support	1,795,114	509,483	2,304,597	1,305,942	78,830	1,384,772
<b>Total support and revenue</b>	<b>2,994,683</b>	<b>509,483</b>	<b>3,504,166</b>	<b>2,673,612</b>	<b>78,830</b>	<b>2,752,442</b>
<b>Expenses:</b>						
Program services	2,465,628	-	2,465,628	2,143,977	-	2,143,977
General and administrative	317,153	-	317,153	300,389	-	300,389
Fundraising	110,869	-	110,869	255,906	-	255,906
<b>Total expenses</b>	<b>2,893,650</b>	<b>-</b>	<b>2,893,650</b>	<b>2,700,272</b>	<b>-</b>	<b>2,700,272</b>
<b>Change in net assets</b>	<b>101,033</b>	<b>509,483</b>	<b>610,516</b>	<b>(26,660)</b>	<b>78,830</b>	<b>52,170</b>
<b>Net assets, beginning of year</b>	<b>590,098</b>	<b>148,232</b>	<b>738,330</b>	<b>616,758</b>	<b>69,402</b>	<b>686,160</b>
<b>Net assets, end of year</b>	<b>\$ 691,131</b>	<b>\$ 657,715</b>	<b>\$ 1,348,846</b>	<b>\$ 590,098</b>	<b>\$ 148,232</b>	<b>\$ 738,330</b>

*See accompanying notes to the financial statements.*

**Resource Central**  
**Statement of Functional Expenses**

<i>Year Ended December 31,</i>	<b>2020</b>			
	Program Services	General and Administrative	Fundraising	Total
Wages	\$ 1,197,951	\$ 186,258	\$ 57,148	\$ 1,441,357
Employee benefits	139,040	28,931	4,257	172,228
Payroll tax expenses	85,135	12,515	4,128	101,778
Employee expenses	1,422,126	227,704	65,533	1,715,363
Cost of goods sold	1,051,311	-	-	1,051,311
Occupancy	410,729	22,337	3,880	436,946
Professional fees	81,974	38,408	1,141	121,523
Program materials and prizes	102,717	-	-	102,717
Depreciation	72,782	12,069	122	84,973
Supplies	34,955	6,466	4,597	46,018
Site maintenance	50,072	1,568	2,995	54,635
Business development	28,437	9	18,187	46,633
Travel	32,481	3	58	32,542
Staff development	6,493	1,349	-	7,842
Insurance	39,942	2,319	731	42,992
Utilities	60,002	2,940	4,110	67,052
Merchant credit card fees	30,160	-	600	30,760
Interest	132	-	-	132
Postage and printing	3,723	114	298	4,135
Licenses and fees	2,910	130	33	3,073
Dues and subscriptions	16,181	371	8,434	24,986
Other	69,812	1,366	150	71,328
	3,516,939	317,153	110,869	3,944,961
Less: cost of goods sold	(1,051,311)	-	-	(1,051,311)
<b>Total expenses</b>	<b>\$ 2,465,628</b>	<b>\$ 317,153</b>	<b>\$ 110,869</b>	<b>\$ 2,893,650</b>

*See accompanying notes to the financial statements.*

**Resource Central**  
**Statement of Functional Expenses**

<i>Year Ended December 31,</i>	<b>2019</b>			
	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
Wages	\$ 1,116,488	\$ 185,947	\$ 72,513	\$ 1,374,948
Employee benefits	154,571	31,955	7,044	193,570
Payroll tax expenses	89,454	13,540	5,874	108,868
Employee expenses	1,360,513	231,442	85,431	1,677,386
Cost of goods sold	1,203,378	-	-	1,203,378
Occupancy	249,443	16,457	5,869	271,769
Professional fees	93,403	24,521	28,788	146,712
Program materials and prizes	115,245	-	-	115,245
Depreciation	64,147	13,896	749	78,792
Supplies	19,411	369	44,191	63,971
Site maintenance	42,760	1,052	335	44,147
Business development	30,182	23	64,371	94,576
Travel	21,607	65	121	21,793
Staff development	7,181	5,295	211	12,687
Insurance	35,407	2,477	1,720	39,604
Utilities	36,613	2,341	11,098	50,052
Merchant credit card fees	36,410	-	1,617	38,027
Interest	490	-	-	490
Postage and printing	14,040	42	2,840	16,922
Licenses and fees	973	46	125	1,144
Dues and subscriptions	8,376	282	8,440	17,098
Other	7,776	2,081	-	9,857
	3,347,355	300,389	255,906	3,903,650
Less: cost of goods sold	(1,203,378)	-	-	(1,203,378)
Total expenses	\$ 2,143,977	\$ 300,389	\$ 255,906	\$ 2,700,272

*See accompanying notes to the financial statements.*



**Resource Central**  
**Statements of Cash Flows**

<i>Year Ended December 31,</i>	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 610,516	\$ 52,170
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	84,973	78,792
Decrease (increase) in operating assets:		
Grants and contributions receivable	(206,157)	5,224
Prepaid expenses and deposits	10,352	(14,180)
Inventory	(1,099)	(21,987)
Increase (decrease) in operating liabilities:		
Accounts payable	38,949	(17,134)
Accrued payroll	(9,983)	18,631
Deferred revenue	194,486	23,960
<b>Net cash flows from operating activities</b>	<b>722,037</b>	<b>125,476</b>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(177,360)	(90,049)
<b>Net cash flows from investing activities</b>	<b>(177,360)</b>	<b>(90,049)</b>
<b>Cash flows from financing activities:</b>		
Payments on note payable	(6,455)	(6,656)
<b>Net cash flows from financing activities</b>	<b>(6,455)</b>	<b>(6,656)</b>
Net change in cash and cash equivalents	538,222	28,771
<b>Cash and cash equivalents, beginning of year</b>	<b>612,419</b>	<b>583,648</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,150,641</b>	<b>\$ 612,419</b>
<b>Supplemental cash flow information</b>		
Cash paid during the year for interest	\$ 132	\$ 444

*See accompanying notes to the financial statements.*

# Resource Central

## Notes to Financial Statements

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### 1. Nature of Activities

Resource Central (the “Organization”) is a community based non-profit organization incorporated in 1976 with a mission to put conservation into action. Its vision is thriving communities living sustainably. Currently, the Organization serves homeowners, schools, small businesses and municipalities throughout Colorado Front Range Communities.

Through sustainability programs that impact water and energy consumption and its retail operation that diverts materials from the landfill, the Organization is evolving as a social enterprise, identifying market-driven opportunities to expand and improve its reach and impact, and engage more directly with residents.

The Organization is primarily funded by the programs below; sales of used building materials, drought-tolerant gardens, known as the Garden in a Box program, and conservation program service fees.

*Garden In A Box:* Offers professionally designed, waterwise garden kits tailor made for Colorado yards. The kits are affordable, do it yourself gardens that are easy to use and help save water.

*Materials Reuse:* Reselling donated building materials at discounted prices to help reduce the amount materials that go to landfills.

*Renew Our Schools:* Helping students and schools conserve energy and hosting competitions to encourage schools to compete in saving the most energy.

### 2. Summary of Significant Accounting Policies

#### *Basis of Accounting*

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

# Resource Central

## Notes to Financial Statements

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### ***COVID-19 and CARES Act***

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

In April 2020, the Organization received funding through the Small Business Administration (“SBA”) in the amount of \$288,037, pursuant to the Paycheck Protection Program (“PPP”) under Decision A, Title I of the Coronavirus Aid, Relief, and Economic Stimulus Act (“CARES ACT”), which was enacted on March 27, 2020 by the United States Federal Government. The loan and accrued interest are subject to forgiveness by the SBA if the funds are obtained and used in accordance with certain criteria defined by the SBA, including usage on certain eligible expenses which include payroll costs, health care benefits, mortgage payments, rent, and utilities as defined in the CARES Act and subsequently issued rulings. The Organization received notice from the SBA of forgiveness on December 9, 2020 and therefore has recognized these funds as a government grant within the Statement of Activities for the year end December 31, 2020 in accordance with Accounting Standards Codification (“ASC”) 958-605, *Not-for-Profit Entities—Revenue Recognition*. The Organization has not accrued any liability associated with the risks of an adverse SBA review.

There is considerable uncertainty around the duration and potential impact to the Organization’s operations. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, continuants, and workforce.

### ***Cash and Cash Equivalents***

The Organization considers all highly liquid investments and securities with original maturities of three months or less at the time of purchase to be cash equivalents. At times, the Organization’s bank account balances may exceed federally insured limits. As of December 31, 2020, there were funds of approximately \$392,000 held in excess of the insured limits. Management monitors the reputation of the financial institutions with which it associates and believes the Organization’s risk is negligible. The Organization has not experienced any losses in such accounts.

### ***Grants and Contributions Receivable***

Based on the judgment of the Organization and past collection histories, no allowance for doubtful accounts was deemed necessary as of December 31, 2020 and 2019. The Organization does not require collateral on grants or contributions receivable. As of December 31, 2020 and 2019, there were two donors which individually accounted for more than 10% of the grants and contributions receivable and totaled 100% and 89%, respectively. All receivables are expected to be collected within 12 months.

# Resource Central

## Notes to Financial Statements

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Conditional promises to give are not recognized as revenue until the conditions are substantially met. In November 2017, the City of Boulder ballot initiative 2M passed. This includes funding of \$1,400,000 for capital improvements and build out of a Zero Waste Community Center in Boulder. These funds are conditional on the Organization raising funds of \$1,400,000 for this project, see Note 4 for additional information on the capital campaign.

### ***Property and Equipment***

Property and equipment acquired with an initial value of \$5,000 or more are capitalized and stated at cost, less accumulated depreciation. Depreciation of furniture, equipment and leasehold improvements is computed using the straight-line method over the estimated useful lives of three to ten years, or lease term if shorter. Depreciation of tool library assets is computed using the straight-line method over the estimated useful lives of five years. The fair value of donated assets is similarly capitalized.

Expenditures for renewals and betterments in excess of \$5,000 that materially extend the life of an asset or increase its productivity are capitalized. Expenditures for repairs and maintenance that do not extend asset lives or improve productivity are expensed as incurred. When assets are sold, retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is recognized.

### ***Inventory***

Inventory consists of donated, used building materials, stated at fair value at the time of donation, and purchased merchandise, stated at the net realizable value.

### ***Accrued Expenses***

Accrued payroll consists of time worked and not yet paid and accrued vacation time earned but not yet used by employees.

### ***Use of Estimates***

The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and such differences could be material.

### ***Revenue from Contracts with Customers***

On January 1, 2019, the Organization adopted Financial Accounting Standard Board (“FASB”) ASC 606, *Revenue from Contracts with Customers* and all the related amendments (“ASC 606”) with respect to all contracts. The Organization accounts for contract revenue in accordance with the new revenue standard, which requires the Organization to recognize contract revenue in a manner which depicts the transfer of goods or services to its customers at an amount that reflects the consideration the Organization expects to receive in exchange for those goods or services. The Organization adopted the new revenue standard retrospectively and there were no significant adjustments recognized.

# Resource Central

## Notes to Financial Statements

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Additionally, on January 1, 2019 the Organization adopted ASU 2018-08, *Contributions Receivable and Made*. The purpose of this ASU is to clarify and improve the scope and accounting guidance for contributions received and made. The new guidance aids in the classification of contributions and exchange transactions. The Organization adopted the new revenue standard retrospectively and there were no significant adjustments recognized.

The Organization determined sales related to materials resale and a portion of revenue received for event sponsorships and tickets represent exchange transactions and must be recognized under ASC 606. The Organization recognized revenues from the sale of materials at a point in time when the sale occurs and there is a transfer of goods to the customer. The Organization has no further performance obligations related to the sales of materials, given returns are not accepted and there are no additional services required by the Organization after the initial sale. Revenue from sponsorships at events and ticket sales to events is recognized at a point in time, when the event take place. Meals and entertainment are the only performance obligations of more than nominal value for these contracts. Event ticket purchases and sponsorship fees received prior to the event taking place are recognized as deferred revenue and will be recognized in future periods when the event occurs.

There were no other significant exchange revenues during the years ended December 31, 2020 and 2019.

### ***Program Service Fee Revenue and Deferred Revenue***

Program service fees comprise revenue from various municipalities that provide funding to the Organization for services provided to community members aimed at conserving resources and reducing water use. These revenues are recognized when the program or service occurs and the beneficiary of the program receives the services. These were determined to not be exchange transactions and therefore are recognized as contribution revenue in accordance with ASC 958, *Not-for-Profit Entities, Revenue Recognition* (ASC 958). Deferred revenue consists of funds received for services that have not yet performed. Revenue from conditional contributions is recognized when the conditions have been met.

### ***Contributions***

Contributions are recognized when cash, other assets, a decrease in liabilities or expense, or an unconditional promise to give is received. In accordance with ASC 958, contributions received are recorded as contributions with donor restrictions or without donor restrictions depending on the existence or nature of donor restrictions.

### ***Recognition of Donor Restrictions***

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless the explicit donor stipulations specify how the assets are to be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor

# Resource Central

## Notes to Financial Statements

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stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

### ***Donated Services, Equipment and Materials***

Donated services are reported as contributions when services create or enhance nonfinancial assets or would be purchased if they require specialized skills and are provided by individuals possessing those skills. Donated equipment and materials are recorded at estimated fair values as revenue and cost of goods sold, expense, or capitalized assets, depending on the nature of the donation.

### ***Functional Allocation of Expenses***

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Organization providing those services or the nature of the expense incurred. The expenses in this category include occupancy, professional fees, Renew Our School prizes, depreciation, supplies, site maintenance, business development, travel, staff development, insurance, utilities, merchant credit card fees, interest, postage and printing, licenses and fees, dues and subscriptions, and other.

### ***Advertising Expense***

Advertising costs are expensed when incurred and totaled approximately \$17,000 and \$19,000 for the years ended December 31, 2020 and 2019, respectively, and are included in business development costs on the statement of functional expenses.

### ***New Accounting Pronouncements***

In February of 2016, the FASB issued ASU 2016-02, *Topic 842, Leases*. The purpose of this ASU is to establish the principle to report transparent and economically neutral information about the assets and liabilities that arise from leases. The new guidance is effective for public business entities with fiscal years beginning after December 15, 2019. For all other organizations the new guidance is effective for fiscal years beginning after December 15, 2021 and interim periods with fiscal years beginning after December 15, 2022. Management is currently evaluating the impact of adoption of this standard on its financial statements.

### ***Income Taxes and Tax Status***

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and under the Colorado Income Tax Act of 1964 (as amended). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

The Organization believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for recognition or disclosure in the financial statements. Years before 2015 are no longer subject to tax authority examinations.

# Resource Central

## Notes to Financial Statements

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### *Reclassification*

Certain amounts in the 2019 financial statements have been reclassified for comparative purposes to conform to current year presentation. These reclassifications had no effect on previously reported net assets or change in net assets.

### **3. Liquidity and Availability of Resources**

The following represents the Organization's financial assets at:

<i>December 31,</i>	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 1,150,641	\$ 612,419
Pledge receivables	230,099	23,942
Less those unavailable for general expenditures within one year due to:		
Purpose restriction imposed by donor	(229,294)	-
Financial assets available to meet general expenditures over the next year	\$ 1,151,446	\$ 636,361

The Organization's long-term goal is generally to build financial assets to meet 180 days of operating expenses, which is approximately \$1.4 million. The Organization currently has approximately 145 days of reserves as of December 31, 2020. The Organization also has a benchmark cash reserve of at least 125% of the following months projected cash outflow. The Organization has minimal debt and access to a line of credit, as defined in Notes 6 and 7, and a portion of the program expenses are incurred as part of reimbursable grants.

### **4. Capital Campaign**

During 2020, the Organization launched a capital campaign to raise money for the Reuse Redevelopment construction. The capital campaign funds raised will be matched up to \$1.4 million by funds set aside as a part of the City of Boulder ballot initiative 2M. As the Organization raises funds it can apply to receive the matching funds on a quarterly basis. During 2020, the Organization raised approximately \$629,000 of funds that have been or will be matched. As of December 31, 2020, there was approximately \$200,000 included in grants receivable related to outstanding matching funds. The Organization expects to collect this receivable within the next year and therefore has presented it as short term on the Statement of Financial Position.

Additionally, during 2020, the Organization received a grant from Boulder County for \$300,000 to assist with the construction. Under this grant, the Organization is periodically reimbursed for construction costs incurred. As a part of the ballot initiative 2M described above, the Organization received \$300,000 in matching funds for the reimbursable grant which was recorded as deferred revenue and is being recognized as the Organization spend funds that are eligible for reimbursement. As of December 31, 2020, there was approximately \$200,000 of deferred revenue relating to the unearned match.

All payments to vendors are managed by the Organization. Once the construction is complete resulting in net assets being released from restriction, the Organization will start depreciating the asset over its estimated useful life. As of December 31, 2020, the Organization had capitalized approximately \$87,000 of construction in process related to the Reuse Redevelopment construction.

# Resource Central

## Notes to Financial Statements

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### 5. Property and Equipment

Property and equipment consist of the following:

<i>December 31,</i>	2020	2019
Furniture and equipment	\$ 148,011	\$ 148,011
Reuse Program	316,246	326,852
Sustainability	402,463	323,737
Construction in process	87,469	-
	954,189	798,600
Less: accumulated depreciation	(683,410)	(620,208)
Property and equipment, net	\$ 270,779	\$ 178,392

### 6. Line of Credit

The Organization has a \$300,000 unsecured line of credit with a financial institution, which requires annual renewal. The line accrues interest at an annual rate of 10.988% per annum above the LIBOR rate (11.14% at December 31, 2020). At December 31, 2020 and 2019, there was no balance outstanding on the line of credit. During the years ended December 31, 2020 and 2019, no advances were made on the line of credit.

### 7. Note Payable

#### *Vehicle Financing*

On January 2, 2017, the Organization entered into a note to finance a vehicle. The note requires monthly principal payments of \$550 beginning in February 2017 and expires in January 2021. The note accrues interest at an annual rate of 4.30% and is secured by the vehicle. The Organization paid the note in full as of December 31, 2020. The balance as of December 31, 2019 was \$6,455.

### 8. Commitments

#### *Land and Building Lease*

In 2010, the Organization entered into a lease agreement with the City of Boulder for a new site for its Material Reuse program. Under the lease, the Organization occupies land, buildings and certain improvements for \$1 a year. During 2019, the Organization extended the lease term to expire on December 31, 2028. The estimated fair market value of this leased space for each of the years ended December 31, 2020 and 2019 was \$339,000 and \$175,000, respectively, this amount is recorded as in-kind contribution revenue on the statement of activities, as reflected in Note 10.



# Resource Central

## Notes to Financial Statements

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### ***Administration Building Lease***

The Organization has also entered into a lease agreement for its administrative location. The lease commenced June 1, 2013, and requires monthly payments ranging from \$3,675 to \$6,730, plus estimated costs for insurance and property taxes through expiration in March 2023. Rental expense under this lease agreement was \$76,407 and \$74,553 for the years ended December 31, 2020 and 2019, respectively.

Future minimum lease payments under this lease are as follows:

<b><i>Year Ending December 31,</i></b>	
2021	\$ 78,318
2022	80,270
2023	20,190
Total	\$ 178,778

### **9. Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following:

<b><i>December 31,</i></b>	<b>2020</b>	<b>2019</b>
Reuse Redevelopment	\$ 626,039	\$ -
Renew Our Schools	31,676	91,211
Materials Reuse	-	1,950
Water Conservation	-	55,071
	\$ 657,715	\$ 148,232

Net assets with donor restrictions released from restriction consisted of the following:

<b><i>Year Ended December 31,</i></b>	<b>2020</b>	<b>2019</b>
Renew Our Schools	\$ 181,485	\$ 123,872
Materials Reuse	-	27,550
Water Conservation	142,571	42,088
Conservation for All	-	1,507
	\$ 324,056	\$ 195,017

# Resource Central

## Notes to Financial Statements

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### 10. In-Kind Contributions

Support from donated services, equipment and materials for the years ended December 31, 2020 and 2019, consisted of the following:

<i>Year Ended December 31,</i>	<b>2020</b>	<b>2019</b>
Used building materials for resale	\$ 687,358	\$ 819,559
Rent - Resource Central Boulder	339,036	175,000
Donated professional services	7,700	24,054
Supplies and materials	17,324	44,512
Total	\$ 1,051,418	\$ 1,063,125

### 11. Retirement Plan

The Organization sponsors a 403(b) Plan covering all employees of the Organization. The Organization matches 50% of employee contributions up to 5%. The Organization's contributions for the years ended December 31, 2020 and 2019, were \$17,906 and \$17,568, respectively.

### 12. Subsequent Events

Management has evaluated subsequent events through May 28, 2021, which is the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.